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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Mine file

December 10, 1997

Milton Thayn & Sons
7730 East Highway 6
Price, Utah 84501

Re: Response to Concerns Voiced in November 11, 1997 Letter, Canyon Fuel Company, LLC, Proposed Dugout Canyon Mine, PRO/007/039, Folder #2, Carbon County, Utah

Dear Mr Thayn:

This letter is written to respond to the concerns which you expressed about the proposed Dugout Canyon Mine in your letter received in our office on November 28, 1997. We understand that you are an adjacent land owner and are concerned about the impacts this mine may have on your property. We trust that the following discussion will adequately address the concerns you have expressed.

- ◆ Property line has not been established by surveyors and the fence is not on the line.

The proposed Dugout Canyon Mine is planned to be an underground mine with very limited surface disturbance (approximately 10 acres) in comparison with the permit area. According to the maps found in the application, the area of disturbance is located in Township 13 S. Range 12E. Section 23 and would be approximately 3/4 mile away from your nearest property. Also, Canyon Fuel Company would be required to conduct their underground mining in a manner which would not cause subsidence effects to reach outside of their permit area. We do not expect the mining operation to have any effect on the ability to continue to use the land in its current capacity.

- ◆ Possible loss of surface water on your property.

Again, the only surface disturbance will be in an area approximately 3/4 of a mile away from your property. Surface topography of the area suggests that the mine facilities would all be downstream of your property so it appears to be highly unlikely that the mine facilities would have any effect on your surface water. It is likely that the mine would encounter groundwater in the underground mining

process, but since the geologic strata dip toward the north in this area, it is also highly unlikely that this would have an impact on surface water on your property to the east or south.

As far as water monitoring goes, the mine is required to collect baseline spring and stream quality and quantity data. They are also required to have an operational monitoring program which will continue to monitor the springs and streams on a seasonal basis. Monitoring will continue through the closure and reclamation phase as well, which should ensure that any impacts due to mining will have been identified and mitigated if necessary.

◆ Noise from the mine fan.

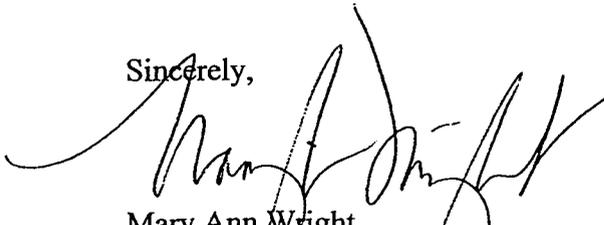
Without first having the fan in place, it is very difficult to assess the impact that noise from a mine fan would have on your property. However, since the surface facilities (including the mine fan) would be approximately 3/4 of a mile away from your property, it is expected that the fan would have little or no impact. It is our experience that wildlife and grazing animals become quite tolerant of and are often found on or near mine facilities. The fan could also be installed such that the exhaust was pointed away from your property thus reducing the possible impact even further.

We appreciate your comments on this proposed mine and hope that we have adequately addressed them. We have forwarded them to the mine and have discussed some possible ways of reducing the possibility of impacts to your property.

If you are not satisfied that your comments have been addressed, please contact us again. You also have the opportunity to voice your concerns in an informal conference if you so desire. Pursuant to the State Coal Regulations at R645-300-123, a written request for a conference would need to be filed with the Division within 30 days of the last newspaper notice or December 20, 1997.

Please call us if you have questions.

Sincerely,



Mary Ann Wright
Associate Director of Mining